



MCI Communications
Corporation

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November 18, 1992

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Ms. Donna Searcy
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: GEN Docket No. 90-314 and ET Docket No. 92-100

Dear Ms. Searcy:

On November 18, 1992 Steven Zecola and I met with Ms. Madelon Kuchera of Commissioner Barrett's office and Ms. Linda Oliver of Commissioner Duggan's office to discuss MCI's proposal for national licenses. The attached was used in the discussion and was given to Ms. Kuchera and Ms. Oliver. Please include a copy of this notice of ex parte contact and the attached in the record of this proceeding.

Sincerely,


Donald F. Evans

cc: Madelon Kuchera
Linda Oliver

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MCI'S PROPOSAL FOR PERSONAL COMMUNICATIONS

MCI Personal Communications Services

MCI's Approach to the FCC's NPRM on PCS

- Number of licenses/Amount of Spectrum for each
 - 3 licenses with 40 MHz each.
- Size of Markets
 - Nationwide license grants
 - Mandatory local ownership diversity
- Eligibility
 - Cellcos excluded from own markets
- Licensing mechanism
 - Comparative hearings for national licenses
- Interoperability/roaming
 - Equal access for IX carriers, including signaling access to wireless databases
 - Intersystem connectivity, including Class V interconnects

National PCN Licenses

FCC grants national licenses to 3 consortia, each composed of a national manager and local operators.

- No single entity can have a majority interest in a consortium
- No single entity can have ownership interest in the local PCN operators equivalent to more than 25% of the consortium's served population
- No single entity can control local operators serving more than 15 % of the consortium's served population
- Cellular companies cannot be PCN operators in their own markets.

License applications identify the national manager(s) and the local operators, and their geographic coverage areas at the time of initial filing.

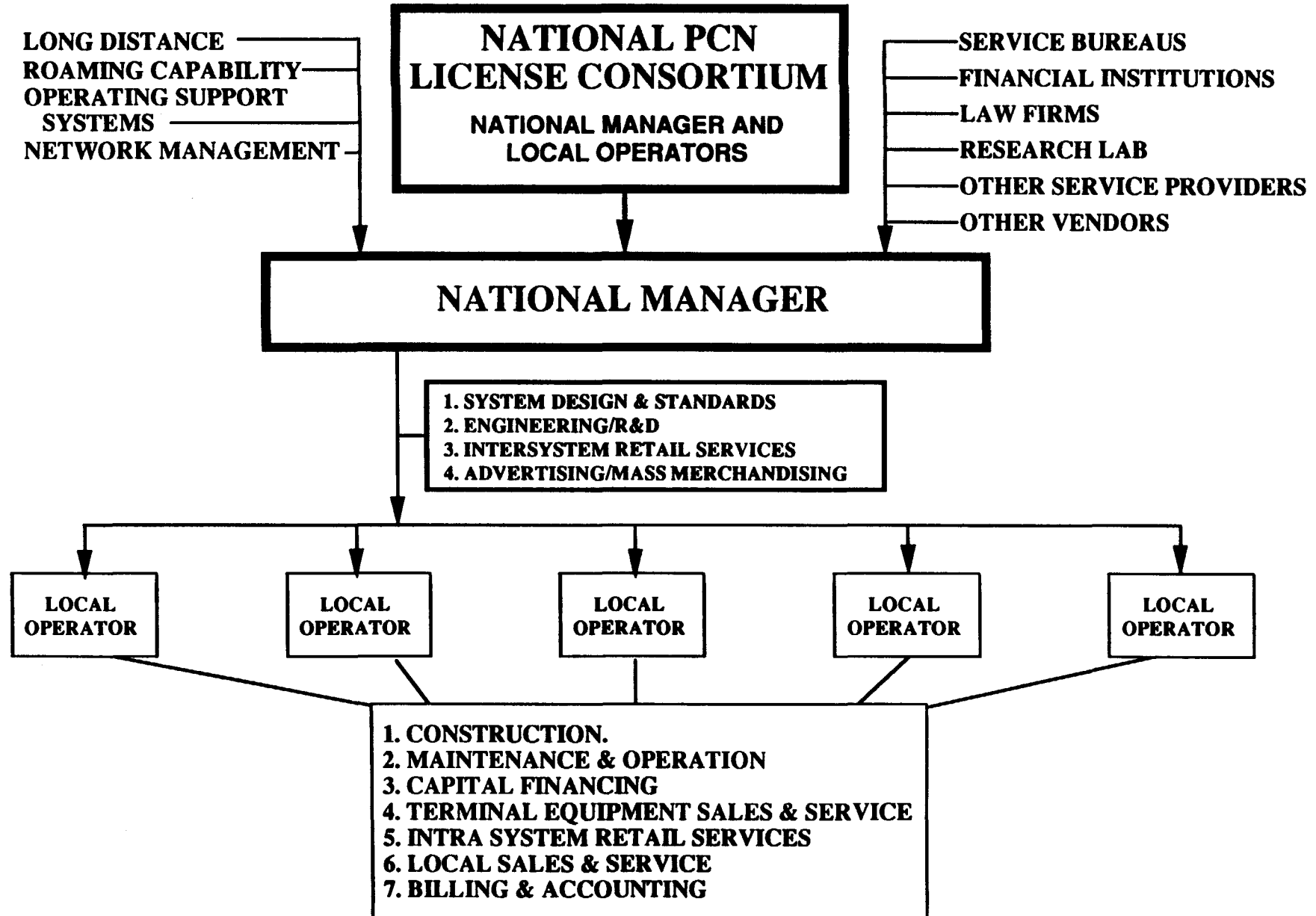
Comparative Preferences

- **Service large numbers of people**
- **Extensive and diverse service offerings**
- **Superior technical ability**
- **Membership by pioneer preferences holders**
- **Minority participation**
- **Demerit for substantial participation by LEC and/or Cellcos**

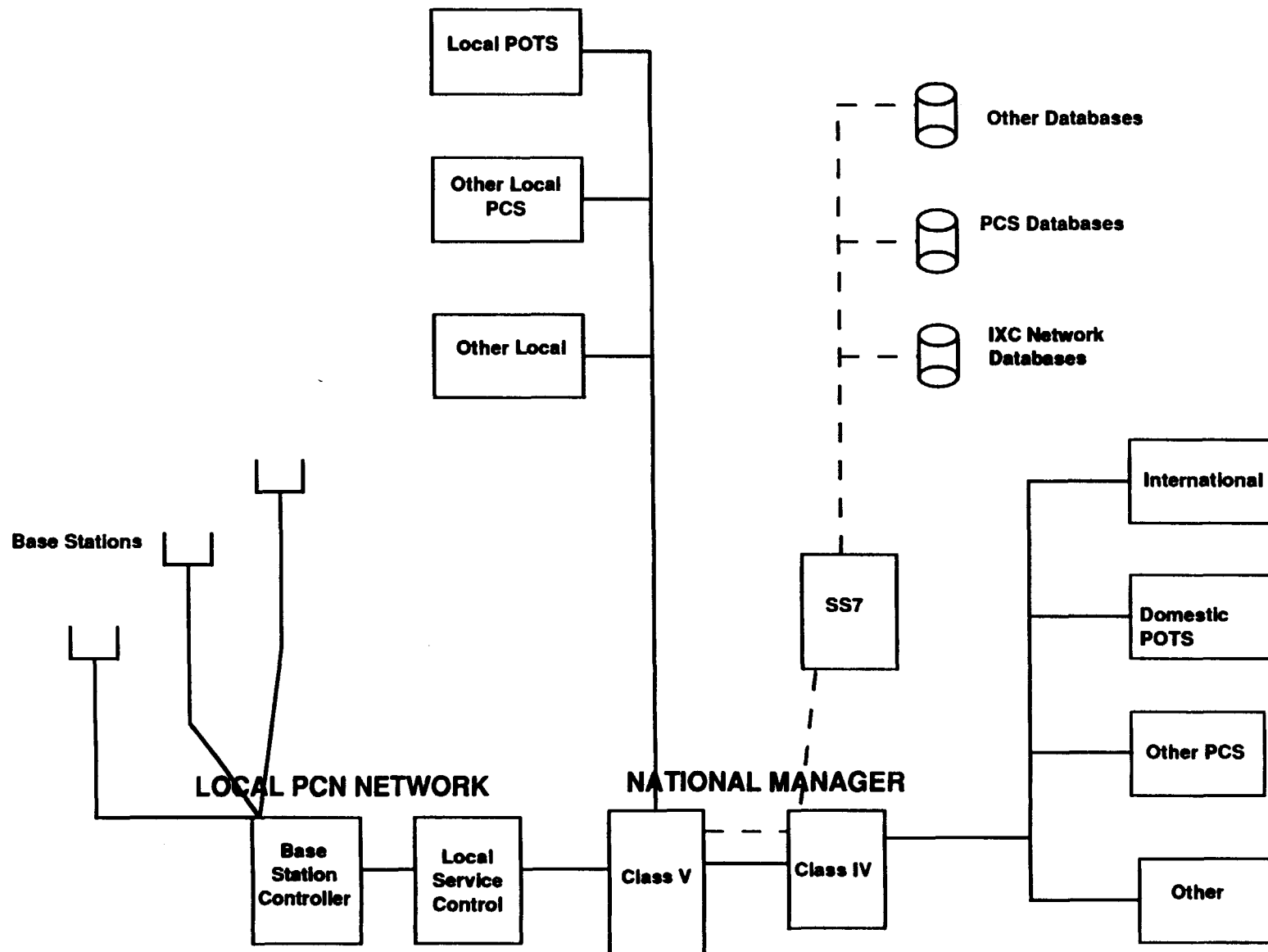
Structure of the Consortium

- Consortium consists of a national manager and local operators
- The national manager is an integrator, negotiator and marketer of services. It passes through costs and revenues among local operators and vendors.
- The national manager, through third-party contracts, will provide the interconnecting network infrastructure, intelligent network services, network management, long distance, roaming and a variety of other services.
- Local operators will build and operate the local PCN infrastructure.
- Local operators will be required to buy some services from the consortium to meet the national technical and service standards but otherwise will be able to customize their local service offerings.
- Local operators will be expected to offer equal access to all IXC's.

OPERATION AND FUNCTIONS OF CONSORTIUM MEMBERS



**NATIONAL MANAGER PROVIDES LOCAL OPERATORS WITH INTEROPERABILITY,
ROAMING AND INTERCONNECTION ACROSS TECHNOLOGIES**



Flow of Revenue

- **Intrasystem revenue booked by local service providers.**
- **Local service providers pay the national manager for services and products purchased from or through it.**
- **The national manager provides a division of revenue to the local service providers based on the third party services sold to local customers.**
- **The national manager provides a fee to local service providers for billing, where the local provider bills for both intrasystem and intersystem charges.**
- **However, the local provider could buy billing services on its own or from another provider negotiated through a consortium contract.**

Conclusions

- National consortia minimize the licensing burden of the Commission.
- National consortia eliminate the Commission's need to choose technical standards.
- National consortia greatly enhance widespread delivery of PCN service to the public.
- National consortia ensure nationwide connectivity and interoperability.
- Ownership restrictions and comparative preferences can ensure broad ownership diversity in PCN operations.